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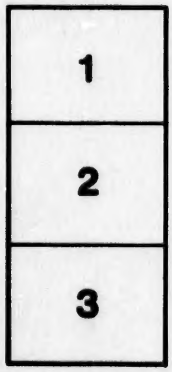

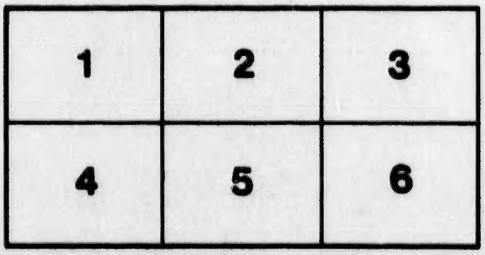

MISCELLANEOUS PAPERS

relating to

VANCOUVER ISLAND

1848 - 1863

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VANCOUVER'S ISLAND.

COPY of CORRESPONDENCE between the CHAIRMAN of the HUDSON'S BAY COMPANY and the SECRETARY of STATE for the COLONIES, relative to the COLONIZATION of *Vancouver's Island.*

(*Mr. Labouchere.*)

Ordered, by The House of Commons, to be Printed,
10 *August* 1848.

[610.]

Under 3 oz.

18

23

VANCOUVER'S ISLAND.

RETURN to an Address of the Honourable The House of Commons, dated 7 August 1848;—*for*,

"COPY of CORRESPONDENCE between the CHAIRMAN of the HUDSON'S BAY COMPANY and the SECRETARY OF STATE for the COLONIES, relative to the COLONIZATION of *Vancouver's Island*."

Colonial Office, Downing-street, 8 August 1848.

B. HAWES.

(*Mr. Labouchere.*)

Ordered, by The House of Commons, *to be Printed*, 10 *August* 1848.

619.

23569

SCHEDULE.

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COPY of CORRESPONDENCE between the CHAIRMAN of the HUDSON'S BAY COMPANY and the SECRETARY OF STATE for the COLONIES, relative to the COLONIZATION of *Vancouver's Island.*

— No. 1. —

COPY of a LETTER from Sir *J. H. Pelly*, Bart. to Earl *Grey*.

My Lord, Hudson's Bay House, 7 September 1846.

No. 1. Sir J. H. Pelly, Bart., to Earl Grey. 7 September 1846.

THE annual ship of the Hudson's Bay Company to the Columbia and north-west coast of America is now loading, and will be ready to sail about the middle of this month. By this opportunity the Company send out their instructions for the information and guidance of the officers in charge of their interests in that quarter.

The treaty for the division of the Oregon territory having been concluded, I conceive that all questions respecting the possessory rights of the Hudson's Bay Company, and of all other British subjects who may be already in the occupation of lands or other property, as stated in the 3d Article of the treaty; or respecting the lands, farms and other property of every description belonging to the Puget Sound Agricultural Company, as mentioned in the 4th Article (the whole of which is on the south side of the line of demarcation, viz. latitude 49), will be referred to the Secretary of State for Foreign Affairs; but that questions relating to settlement in the territory on the north side of the boundary line (now exclusively British) will belong to the Colonial Department over which your Lordship presides.

Assuming that I am right in this opinion, I now address your Lordship with the view of ascertaining the intentions of Her Majesty's Government as to the acquisition of lands, or formation of settlements, to the north of latitude 49.

The Hudson's Bay Company having formed an establishment on the southern point of Vancouver's Island, which they are annually enlarging, are anxious to know whether they will be confirmed in the possession of such lands, as they may find it expedient to add to those which they already possess.

With regard to the question of trade, your Lordship is aware that the Company, by a grant from the Crown, dated May 13, 1838, have the exclusive right of trading with the natives of the countries west of the Rocky Mountains for 21 years from that date.

I have, &c.

(signed) *J. H. Pelly.*

— No. 2. —

COPY of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

Sir, Downing-street, 3 October 1846.

No. 2. B. Hawes, Esq., to Sir J. H. Pelly, Bart. 3 October 1846.

IN reference to your letter of the 7th ultimo, respecting the colonization of the British territories in North America situate to the westward of the Rocky Mountains, and to the northward of the 49th degree of north latitude, and in reference to what passed at the interview which took place with you on that subject at this office on the 23d of September, I have received the directions of Earl Grey to request that you would move the Directors of the Hudson's Bay Company to apprise his Lordship, with as much exactness as may be possible, what is the extent and what are the natural or other limits of the territory in the possession of which they desire to be confirmed, pointing out what may be known regarding the soil, harbour and navigable streams comprised within it. I am further to signify to you Lord Grey's wish to be informed by the Company, whether they are advised that their right is clear in point of law

law to receive and hold in their corporate capacity any lands within the dominions of the British Crown westward of the Rocky Mountains.

The Company's answer to these inquiries may perhaps relieve his Lordship from the difficulty which he at present feels in returning any definite answer to their application.

I have, &c

(signed) *B. Hawes.*

No. 3.—

Copy of a LETTER from Sir *J. H. Pelly*, Bart., to *B. Hawes*, Esq.

No. 3. [illegible]

Sir, Hudson's Bay House, 24 October 1846.

I have to acknowledge the receipt of your letter of the 3d instant, stating that you had received the directions of Earl Grey to make certain inquiries of the Directors of the Hudson Bay Company, the answers to which might perhaps relieve his Lordship from the difficulty he at present feels in returning any definite answer to the application made in my letter of the 7th September, respecting an establishment which the Company have formed on the south point of Vancouver's Island.

In reply to his Lordship's inquiries as to the extent and limits of the territory in the possession of which the Company desire to be confirmed, and the soil, harbours and navigable streams comprised within it, I enclose the Report, dated July 12, 1842, made by Mr. Chief Factor Douglas, the officer who was sent to survey the locality, and to select an advantageous situation for carrying on the Company's trade in the event of any portion of the territory north of the Columbian River falling under the dominion of the United States, together with extracts from despatches of various dates received at the Hudson's Bay House since the receipt of that report.

The only additional information in the Company's possession will be found in the report of Lieutenants Warre and Vavasour, dated November 1, 1845, addressed to the Secretary of State for the Colonies, and in that of Lieutenant Vavasour to Colonel Holloway of the Royal Engineers, Canada, dated March 1, 1846, [illegible] Lieutenant, and [illegible]

I [illegible] the Company [illegible] that their [illegible] of law to receive and hold in their corporate capacity any [illegible] the British Crown westward of the Rocky Mountains [illegible] Charter of Incorporation [illegible] Company's Charter [illegible] preclude them from holding [illegible] to those comprehended within it, and I entertain no doubt [illegible] Her Majesty be graciously pleased to grant the Company, in [illegible] of the territory westward of the Rocky Mountains now [illegible] the British Crown, such grant will be perfectly valid. [illegible] on that point, it would have been removed [illegible] Great Britain and the United States, in [illegible] as I interpret it, the British Government has fully [illegible]

The lands held by the Company south of the 49th parallel have been confirmed [illegible] that treaty by an Act of the Crown, and they therefore hope that Her Majesty's Government will not see reason to withhold from them a similar confirmation in the lands they held north of that parallel at the time the treaty was concluded.

This, however, is a matter of small importance compared with the colonization of such parts of the territory as may be adapted to that purpose.

The Royal grant to the Hudson's Bay Company of the exclusive privilege of trading with the natives of the territories westward of the Rocky Mountains, dated May 13, 1838, reserves to the Crown the right of establishing colonies within those territories, or of annexing any part of the territories to any existing colony or colonies; and the Company's charter constitutes the territory included within the limits therein prescribed, "one of His Majesty's plantations and colonies in America," under the name of Rupert's Land. The informed, therefore, appears to me to be clear and obvious that the Company may

may legally hold any portion of the territories belonging to the Crown, westward of the Rocky Mountains, that it may please Her Majesty to annex to Rupert's Land.

It would be a superfluous task to enter into a detail of the reasons which render the colonization of Vancouver's Island an object of great importance; I shall, at present, merely submit to Earl Grey's consideration whether that object, embracing as I trust it will, the conversion to Christianity and civilization of the native population, might not be most readily and effectually accomplished through the instrumentality of the Hudson's Bay Company, either by a grant of the island on terms to be hereafter agreed upon, or in some other way in which the influence and resources of the Company might be made subservient to that end.

I have, &c.

(signed) *J. H. Pelly.*

P. S.—Please to return Mr. Douglas's report, of which you may take a copy if you wish to do so.

Enclosure 1, in No. 3.

Dear Sir, Fort Vancouver, 12 July 1842.

Encl. 1, in No. 3.

According to your instructions, I embarked with a party of six men in the schooner "Cadboro'," at Fort Nisqually, and proceeded with her to the south end of Vancouver's Island, visited the most prominent points of that coast, and, after a careful survey of its several ports and harbours, I made choice of a site for the proposed new establishment in the port of Camosack, which appears to me decidedly the most advantageous situation for the purpose within the straits of De Fuca.

2. As a harbour it is equally safe and accessible, and abundance of timber grows near it for home consumption and exportation. There being no fresh-water stream of sufficient power, flour or saw-mills may be erected on the canal of Camosack, at a point where the [illegible] to a breadth of 17 feet by two narrow ridges of granite meeting from [illegible] which the tide rushes out and in with a degree of force [illegible] capable of driving the most powerful machinery, if guided and applied by [illegible].

3. In the several important points first stated, the position of Camosack can claim no superiority [illegible] south coast of Vancouver's Island; but the [illegible] rocks and forests, which it will require years to level or adapt extensively to the purposes of agriculture, whereas at Camosack there is a [illegible] plains nearly six miles square, containing a great extent of valuable tillage and [illegible] equally well adapted for the plough or for feeding stock. It was this advantageous [illegible] feature of Camosack, which no other part of the coast possesses, combined [illegible] the safety of the harbour, and abundance of timber [illegible] which led me to choose a site for the establishment at that place in preference to [illegible].

4. I will now proceed to describe the most prominent features of the other ports visited [illegible] that you may know and weigh the grounds of my objections to [illegible].

5. The finest and only district of Vancouver's Island which contains any considerable extent of clear land is situated immediately on the straits of De Fuca, beginning at Point Gonzalo, the south-east corner of the island, and running westward from it to the port of Sy-vousung; from whence, to the south-west point of the island, opposite Cape Flattery, there are no safe harbours for shipping, and the country is high, rocky, and covered with wood, presenting in its outline the almost unvarying characters of the coast of North-west America, to which it unfortunately bears a too faithful resemblance.

6. On the contrary, the former district of the island, extending from Port Sy-vousung to Point Gonzalo, is less elevated, more even, and diversified by wood and plain. The coast is indented with bays and inlets; there are several good harbours, with anchorage at almost every point, where vessels may bring up in calms. To this part of the coast I directed much attention; and having travelled over almost every mile of it, I will here state the result of my observations, beginning with Port Sy-vousung, the most westerly harbour deserving of notice.

7. Sy-vousung is a spacious inlet, extending more than two miles into the country, where shipping may lie at all seasons of the year in perfect safety, as it is protected from every wind; there is, however, a strong current setting through the entrance with the flood and ebb, that might detain and prove inconvenient to vessels entering or leaving port, otherwise it is unexceptionable as a harbour. A shallow rivulet, 30 feet wide, which takes its rise from a lake in the interior of the island, falls into the north end of the inlet, remarkable as being the largest and only fresh-water stream capable of floating a canoe, that we found on this part of the island.

It can, however, hardly be called navigable, as, during a short excursion I made upon it, we had to drag our canoe over banks of gravel that traverse the bed of the stream at every 100 yards. An extensive mud-flat also lies off its mouth, which is nearly dry and impassable in the smallest craft at low water. It has also the reputation of being a good fishing-stream; and, as far as I could learn from the natives of the place, a considerable quantity of salmon is caught there annually, a consideration which would make it exceedingly valuable to an establishment. These are the only good points of this harbour, which the character of the country in its vicinity render of no avail, as the place is totally unfit for our purpose, the shores being high, steep, rocky, and everywhere covered with woods. In ranging through the forest, we found one small plain, containing 300 or 400 acres of land, at the distance of one mile from the harbour; but the rest of the country in its neighbourhood appeared to consist either of wood-land or rocky hills.

8. Eight miles east of Sy-yousung is the port of Whyring, divided from the former by a ridge of woody hills extending from the coast to the central high land of the island. This is a pretty good harbour, but has nothing further to recommend it, as a single glance at the high broken hills of naked granite, which form the east side of the basin, and the equally sterile character of the west shore, satisfied me that this place would not answer our purpose.

In one of our excursions we found a narrow plain, nearly a mile long, at the same distance from the harbour, which is the only clear land in its vicinity.

9. Metchosin is an open roadstead, one and a half mile east of the former port. It is a very pretty place, and has a small fresh-water run near it. There is, however, no harbour, and the anchorage is exposed, and must be insecure in rough weather; in addition to that disadvantage, the extent of clear ground is much too small for the demands of a large establishment, and a great part of what is clear, is poor, stony land, with a rolling surface, so that on the whole it would not do for us.

10. Is-whoy-malth is the next harbour to the eastward, and appears on the ground plan as a paying this letter. It is one of the best harbours on the coast, being perfectly safe and of easy access, but in other respects it possesses no attraction. Its appearance is strikingly unprepossessing, the outline of the country exhibiting a confused assemblage of rock and wood. More distant appear isolated ridges, thinly covered with scattered trees and masses of bare rock; and the view is closed by a range of low mountains, which traverse the island at the distance of about 12 miles. The shores of the harbour are rugged and precipitous, and I did not see one level spot clear of trees of sufficient extent to build a large fort upon. There is, in fact, no clear land within a quarter of a mile of the harbour, and that lies in small patches here and there, on the acclivities and bottoms of the rising ground. At a greater distance are two elevated plains, on different sides of the harbour, containing several bottoms of rich land, the largest of which does not exceed 50 acres of clear space, [illegible] by masses of limestone and granite.

Another serious objection to this place is the scarcity of fresh water. There are several [illegible], but we found them all dried up, and we could not manage to fill a [illegible] in the harbour.

11. The next harbour, about one mile and a half east of the former, is the port and canal [illegible] Sy-yousung, I think the most advantageous place for the new establishment. From the general description here given, I fear you will not discover many traces of [illegible] so tantalizingly described by other travellers who preceded me in [illegible] field; and you will also observe, that there is one important objection which applies to [illegible] "Camosack," mentioned in this sketch, namely, the absence of any [illegible] clear land sufficiently extensive for the tillage and pasture of a large agricultural [illegible]. It would also be difficult to find a convenient situation for an establishment on [illegible] shores of any of the other harbours, and, moreover, these latter places, with [illegible] "Sy-yousung" and "Metchosin" are all scantily supplied with fresh water. On the contrary, at Camosack, there is a pleasant and convenient site for the establishment, within 50 yards of the anchorage, on the border of a large tract of clear land which extends eastward to Point Gonzalo at the south-east extremity of the island, and about [illegible] decidedly, being the most picturesque and decidedly the most valuable part of the island that we had the good fortune to discover.

The accompanying ground-plan shows pretty correctly the distribution of wood, water and prairie upon the surface, and to it I beg to refer you for information upon such points.

13. More than two-thirds of this section consists of prairie land, and may be converted either to purposes of tillage or pasture, for which I have seen no part of the Indian country better adapted; the rest of it, with the exception of the ponds of water, is covered with valuable oak and pine timber. I observed, generally speaking, but two marked varieties of soil on these prairies, that of the best land is a dark vegetable mould, varying from 9 to 14 inches in depth, overlaying a substrate of greyish clayey loam, which produces the rankest growth of native plants that I have seen in America. The other variety is of inferior value, and to judge from the less vigorous appearance of the vegetation upon it, naturally more unproductive.

Both kinds, however, produce abundance of grass, and several varieties of red clover grow on the rich moist bottoms.

In two places particularly we saw several acres of clover growing with a luxuriance and compactness more resembling the close sward of a well-managed lea than the produce of an uncultivated waste.

14. Being

14. Being pretty well assured of the capabilities of the soil as respects the purposes of agriculture, the climate being also mild and pleasant, we ought to be able to grow every kind of grain raised in England. On this point, however, we cannot speak confidently until we have tried the experiment and tested the climate, as there may exist local influences destructive of the husbandman's hopes, which cannot be discovered by other means. As, for instance, it is well known that the damp fogs which daily spread over the shores of Upper California blight the crops and greatly deteriorate the wheat grown near the sea-coast in that country. I am not aware that any such effect is ever felt in the temperate climate of Britain, nearly corresponding in its insular situation and geographical position with Vancouver's Island, and I hope the latter will also enjoy an exemption from an evil at once disastrous and irremediable. We are certain that potatoes thrive, and grow to a large size, as the Indians have many small fields in cultivation which appear to repay the labour bestowed upon them, and I hope that other crops will do as well.

The canal of Camosack is nearly six miles long, and its banks are well wooded throughout its whole length, so that it will supply the establishment with wood for many years to come, which can be conveyed in large rafts with very little trouble, from one extreme of the canal to the other.

I mentioned in a former part of this letter that I proposed to erect any machinery required for the establishment at the narrows of this canal, about two miles distant from the site of the fort, where there is a boundless water power, which our two millwrights, Crate and Fenton, think might, at a moderate expense, be applied to that object. A fresh-water river would certainly be in many respects more convenient, as the moving power could be made to act with greater regularity, and be applied to machinery at probably less labour and expense than a tide power; besides the facilities and immense advantage of having a water communication, instead of a tedious land transport for the conveyance of timber from a distance, after exhausting that growing in the immediate vicinity of the mill seat. But I saw no stream that would fully answer these purposes, not even excepting the one in the harbour of "Sy-you-sung;" we must, therefore, of necessity have recourse to the canal, or select a mill seat on the continental shore, a step that I would not advise until we have gained the confidence and respect of the native tribes.

The natural supply of fresh water will probably be found scanty enough for the establishment in very dry seasons; but I think that between a small stream at the distance of 300 paces, and its feeder, a lake 800 yards from the site of the fort, we may always depend on having at least a sufficiency of this indispensable element. The labour of carting it from a distance of even 800 yards would, however, be very great, and I would, therefore, recommend that wells should be dug within the fort, of sufficient depth to yield a constant and regular supply at all times. This, I have no doubt, will be found the cheapest plan in the end, besides the importance of having water at hand in cases of fire, or in the event of any rupture with the natives.

17. It is unnecessary to occupy your time with any further details on the subject of this cruize, as the present sketch will enable you to form a correct estimate of the advantages and disadvantages of the several places visited, and I think your opinion cannot vary much from my own respecting the decided superiority of Camosack over the other parts of the island, or of the continental shore known to us, as a place of settlement. The situation is not faultless, or so completely suited to our purposes as it might be, but I despair of any better being found on this coast, as I am confident that there is no other seaport north of the Columbia where so many advantages will be found combined.

I have, &c.

(signed) *James Douglas*

John M'Loughlin, Esq.
&c. &c.

Enclosure 2, in No. 3.

Extract of Despatch from Sir *George Simpson* to the Governor and Committee of the Hudson's Bay Company, dated Red River Settlement, 21 June 1844.

Encl. 2, in No. 3.

By advices from Fort Victoria, up to the latter end of February, I am glad to find that the business of that new establishment was going on in a satisfactory manner.

The situation of Fort Victoria is represented as peculiarly eligible for a depôt in every respect, except the possible scarcity of water in very dry seasons, but that it was hoped to overcome by sinking a well; while abundance of water can always be had from a never-failing stream about a mile and a half from the establishment. The country and climate are said to be remarkably fine; an excellent harbour, and the means of living abundant, say fish, venison, domestic cattle, and agricultural produce. The harbour being easy of access at all times, Fort Victoria will in all probability become valuable as a port of refuge and refreshment for any vessels frequenting those seas.

The natives are not so numerous or formidable as we were led to believe, and seem peaceably and well disposed; but as yet, judging from the quantity of furs brought in, it does not appear that they are very active, either as traders or hunters, or that their country is rich in that way.

Enclosure 3, in No. 3.

EXTRACT of Despatch from Messrs. *Peter Skene Ogden* and *James Douglas* to Sir *George Simpson*, dated Fort Vancouver, 19 March 1846.

Encl. 3, in No. 3.

THE outfit of the north-west coast was landed at Fort Victoria, direct from England, and in course of the summer, the returns and produce of Forts Nisqually, Langley and other posts on the coasts, and from this river, were transported thither and deposited for exportation; an exceedingly convenient arrangement, which obviates the necessity of exposing so much valuable property to the risks and dangers of the Columbia bar. We are now enlarging the fort, and getting two additional buildings erected of 100 × 40 feet to store the depot goods away, and other improvements to facilitate the landing and discharging the vessels are also in progress. The farm has been considerably enlarged, and upwards of 100 head of cattle and horses carried thither from Puget's Sound. In short, every effort is and will be directed towards giving form and substance to the plan proposed in your letter.

Enclosure 4, in No. 3.

EXTRACT of Despatch from Sir *George Simpson* to the Governor and Committee of the Hudson's Bay Company, dated Red River Settlement, 18 June 1846.

Encl. 4, in No. 3.

FORT Victoria promises to become a very important place, and is decidedly better adapted, as regards situation, to be the great depôt for the country than any other of our establishments on the coast, being easy of access at all seasons, and so far distant from the disorderly population of Columbia that we have little cause for apprehension from that quarter.

From the observations of Messrs. Warre and Vavasour, who visited the establishment, I should infer that the fort has not been erected on the most convenient site as regards the shipping. I shall draw the attention of the Board of Management to this subject, after Messrs. Warre and Vavasour have afforded me a perusal of the report they have prepared for the information of Her Majesty's Government, giving the result of the visit to the Oregon territory. It is intended to increase the farm at Fort Victoria, for which the country appears well adapted, but I have not been furnished with any detailed information on the subject.

During the first winter, about 100 head of cattle and horses were conveyed thither from Nisqually, and the farm last season produced 1,000 bushels of wheat over and above the expenditure of the post.

Three American whaling ships entered the Straits of Fuca last autumn, for the purposes of obtaining supplies; and I think it likely an advantageous branch of business may be formed at Victoria, by supplying the ships engaged in the whale fishery with clothing, marine stores, &c., being much nearer the fishing grounds than either California or the Sandwich Islands, the dangerous bar of the Columbia river interdicting frequent intercourse with that quarter.

No. 4

EXTRACT of a LETTER from *B. Hawes*, Esq. to Sir *J. H. Pelly*, Bart., dated Downing-street, 14 December 1846.

No. 4.
B. Hawes, Esq. to Sir J. H. Pelly, Bart.
14 December 1846.

I AM directed by Earl Grey to acknowledge the receipt of your letter of the 24th of October last, and to return to you the following answer to it.

Lord Grey is unable to announce to you any decision of Her Majesty's Government with regard to the colonization of the Oregon territory. His Lordship will be happy to receive, and will consider with every disposition to accede to it, any specific proposal for that purpose which may be suggested to him either by the Hudson's Bay Company or by any other person interested on the subject.

Lord Grey further directs me to state that he is prepared to assent, on Her Majesty's behalf, to your proposal, that certain lands in Vancouver's Island, or in other parts of the Oregon territory, should be granted to the Hudson's Bay Company; but before making that grant his Lordship would require the production, by the Company, of an opinion from Her Majesty's Attorney and Solicitor-general, to the effect that the acceptance by the Company of such a grant would be consistent with their charter of incorporation.

No. 5.—

COPY of a LETTER from Sir *J. H. Pelly*, Bart., to Earl *Grey*.

No. 5.
Sir J. H. Pelly, Bart., to Earl Grey.
22 January 1847.

My Lord, Hudson's Bay House, 22 January 1847.

MR. UNDER SECRETARY HAWES, in the letter which, by your Lordship's direction, he did me the honour to address to me on the 14th ultimo, stated that you were prepared to assent, on Her Majesty's behalf, to my proposal that certain lands

lands in Vancouver's Island, or in other parts of the Oregon territory, should be granted to the Hudson's Bay Company; but that before making that grant you would require the production, by the Company, of an opinion from Her Majesty's Attorney and Solicitor-General to the effect that the acceptance by the Company of such a grant would be consistent with the Charter of Incorporation

On receiving this intimation I directed a case to be drawn up for the opinion of the Attorney and Solicitor-General, which case, with their opinion thereon, I have the honour to transmit to your Lordship herewith.

Your Lordship will perceive that the question raised in the case is confined to the single point on which you expressed a wish to receive information, namely, whether the Hudson's Bay Company have power under their Charter to hold lands within Her Majesty's dominions westward of the Rocky Mountains.

I have, &c.

(signed *J. H. Pelly*

— No. 6.

Copy of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

No. 6.
B. Hawes, Esq., to Sir J. H. Pelly, Bart.
2 February 1847.

Sir, Downing-street, 2 February 1847.

Having laid before Earl Grey your letter of the 22d instant, together with the opinion of Her Majesty's Attorney and Solicitor-General upon the question submitted to them as to the power of the Hudson's Bay Company, under their charter, to hold lands in the Queen's dominions westward of the Rocky Mountains in North America, I am directed by his Lordship to inform you that, on the perusal of that opinion, he is now ready to receive and consider the draft of such a grant as the Company would desire to receive of lands belonging to the British Crown in the Oregon territory.

I have, &c.

(signed) *B. Hawes.*

No. 7

Copy of a LETTER from Sir *J. H. Pelly*, Bart., to Earl *Grey*.

No. 7.
Sir J. H. Pelly, Bart., to Earl Grey.
5 March 1847.

My Lord, Hudson's Bay House, 5 March 1847.

I have the honour to acknowledge the receipt of Mr. Under Secretary Hawes' letter of the 2d February, stating that your Lordship, on the perusal of the opinion of Her Majesty's Attorney and Solicitor General as to the power of the Hudson's Bay Company, under their charter, to hold lands within the Queen's dominions westward of the Rocky Mountains in North America, is ready to receive and consider the draft of such a grant as the Company would desire to receive of lands belonging to the British Crown in the Oregon territory.

In reply to this communication, I beg leave to say, that if Her Majesty's Ministers should be of opinion that the territory in question would be more conveniently governed and colonized (as far as that may be practicable) through the Hudson's Bay Company, the Company are willing to undertake it, and will be ready to receive a grant of all the territories belonging to the Crown which are situated to the north and west of Rupert's Land.

The draft which I have the honour to transmit to your Lordship herewith is framed on the supposition that Her Majesty's Government, after considering the nature and circumstances of those territories, will be of this opinion.

I have, &c.,

(signed) *J. H. Pelly.*

No. 8.

Copy of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

No. 8.
B. Hawes, Esq., to Sir J. H. Pelly, Bart.
25 February 1848.

Sir, Downing-street, 25 February 1848.

I am desired to remind you of your letter of the 5th March 1847, submitting, for Lord Grey's consideration, an application on the part of the Hudson's Bay Company for a grant of all the territories belonging to the Crown which are situated to the north and west of Rupert's Land.

In an interview which Earl Grey had with you subsequently to that application, you were informed that the proposal you had made was too extensive for Her Majesty's Government to entertain.

I am now directed by his Lordship to state, that if you are prepared to submit another scheme which shall be more limited and definite in its object, and yet embrace a plan for the colonization and government of Vancouver's Island, Her Majesty's Government will be ready to give their immediate and attentive consideration to such proposal. Assuming that in any negotiation which may take place on this subject, the value of the coal at Vancouver's Island will necessarily form a material consideration on the part of the Hudson's Bay Company, Lord Grey directs me to send you the copy of an agreement recently entered into with Mr. Wise, from which you will learn the terms on which the Government have granted a lease to that gentleman of the coal at Labuan, and which may possibly serve as a guide in any proposal which the Company may think proper to make for working the coal at Vancouver's Island.

[illegible] Papers [illegible]

I have, &c.,
(signed) *B. Hawes*.

No. 9.

Copy of a LETTER from Sir *J. H. Pelly*, Bart., to Earl *Grey*.

No. 9.
Sir J. H. Pelly, Bart., to Earl Grey.
4 March 1848.

My Lord, Hudson's Bay House, 4 March 1848.

I have [illegible] Mr. Hawes's letter of March 5, 1847, in which [illegible] Bay Company, for a grant of all the territories situated to the north and west of Rupert's Land.

[illegible] I had with your Lordship, [illegible] proposal [illegible] Lordship did not appear to [illegible] to express yourself so decidedly as to lead me to believe that Her Majesty's [illegible] Island, Her Majesty's Government [illegible] As [illegible] Company [illegible] of lands which [illegible] letter to your Lordship of the 7th September 1846. To such a [illegible] Mr. Hawes [illegible] Her Majesty's G[illegible] Her [illegible] General in the administration was [illegible] Company [illegible] desire

"desire to receive of lands belonging to the British Crown in the Oregon "territory."

In my reply to that communication, dated March 5, and with reference to what from some casual conversations with your Lordship I had conceived was your opinion, I proposed a grant which might appear extensive, but I did this not with the view of obtaining for the Hudson's Bay Company any advantage, for, as I have already said, they as a Company require no more for the purpose of carrying on their trade than was asked in my letter of the 7th September 1846, and assented to by your Lordship.

When I understood that you were desirous that a part or the whole of the country recently confirmed to Great Britain should be colonized, I was induced to propose that the whole should be included in a grant to the Hudson's Bay Company, because I was persuaded that the colonization would be much more successfully conducted under the auspices of the Company than it could be in any other manner, as I foresaw serious difficulties, should different parts of the territory be colonized under different authorities.

As to the territory lying eastward of the Rocky Mountains, and between the Arctic Sea and the Company's territories (from which it is separated by no defined or definable boundary), though its addition to the grant gives the latter a formidable appearance in point of extent, it is little better than a barren waste. It is besides inaccessible, except through the Company's territories, or by crossing the Rocky Mountains from the westward.

My object in proposing this tract of country to form a part of the grant was, that its annexation to Rupert's Land, held of the Crown as of the manor of East Greenwich in free and common soccage, and not in capite or knights' service, would place the whole territory north of 49°, the American boundary line, under one overring power, and thereby simplify any arrangements respecting any part or parcel of the same; but, if your Lordship should be still of opinion that the grant is too extensive, the Hudson's Bay Company are willing that it should be limited to the territory north of 49°, bounded on the east by the Rocky Mountains, or even to Vancouver's Island alone. In fact, the Company are ready and willing to give every assistance in their power to promote colonization, and in any way in which your Lordship may be of opinion that their services can be made available towards that important object.

On that part of Mr. Hawes's letter, in which it is assumed that the value of the coal in Vancouver's Island will form a material consideration on the part of the Hudson's Bay Company in any negotiation that may take place on this subject, I have only to observe, that the Company expect no pecuniary advantage from colonizing the territory in question. All monies received for land or minerals would be applied to purposes connected with the improvement of the country, and, therefore, if the grant is to be clogged with any payment to the mother country, the Company would be under the necessity of declining it.

I have, &c.

(signed) *J. H. Pelly.*

No. 10.

Copy of a LETTER from Sir *J. H. Pelly*, Bart., to Earl *Grey*.

No. 10.
Sir J. H. Pelly, Bart., to Earl Grey. 4 March 1848.

(Private.)

My Lord, Hudson's Bay House, 4 March 1848.

I have to acknowledge the receipt of your private letter of the 25th February, which came with Mr. Hawes' official letter of the same date. I certainly understood, in the conference I had with your Lordship on the subject of colonizing the territory north of 49°, that you considered my proposition too large, and I expected a modification of it from your Lordship, but I am quite ready to admit that I was in error in this expectation. I shall therefore briefly state why I asked for so extensive a grant.

In considering the subject, I did not see how the territory west of the Rocky Mountains could properly be separated into parts for the purpose of colonization. If I had confined myself to the islands west of the continent or

to Vancouver's Island alone, then other settlements might have been made on the main land or on some of the islands, under a different authority, and the want of unity in the ruling power would probably have been attended with some diversity of purpose and conflict of interests, real or apparent, which it was desirable to avoid as tending to impede the object in view.

Then, again, the Company by their license of exclusive trade from the Crown, which has still more than 11 years to run, have had virtual possession of all this territory for nearly 30 years. It is studded from end to end with their trading posts, and they have acquired great influence with the natives, which I thought a matter well worthy of consideration in any plan that might be formed for colonizing the country. After much reflection, and looking at the question in its various bearings, I was convinced that a grant having colonization for its object, should, in order to carry out that object effectually, comprehend the whole of the territory west of the Rocky Mountains

This was the extent of the grant which I had originally intended to propose should be given to the Company; but it was suggested to me that, in the event of such a grant being obtained, the territory lying east of the Rocky Mountains, and north of the Company's territories, which may be considered as a sort of debateable land, would be in an isolated position, there being no access to it except through the Company's territories, or by way of the Rocky Mountains through the country comprehended in the grant proposed.

Under these circumstances, and as it formed part of the territories over which the royal license of exclusive trade extended, I thought it best that it should be included in the grant, but really caring very little whether it was so or not.

I am very glad to learn that your Lordship is exceedingly anxious for the colonization of Vancouver's Island. I have no doubt that your Lordship, as a statesman, must feel the importance of a settlement in this part of the Pacific, where Great Britain has none, and the Americans, having one already on the Wallametta, are proposing to take measures for establishing another on the opposite side of the straits to Vancouver's Island, and are building large steamers for communication with the district. I shall not occupy your Lordship's time by offering my views of the nationality of the object any further than to say they are in accordance with those of your Lordship

Such being the case, the Company would accept of any grant, even for the island of Vancouver alone, to effect the object; but for the reasons I have given, I think you will be of opinion with me, that it should be more extensive. By the charter of the Hudson's Bay Company power is given to them to appoint and establish governors and all other officers to govern their territories, and a council for the several respective places where the Company have plantations, factories, colonies, &c., and to judge all persons who shall live under them in all causes whether civil or criminal, &c. &c.; all which rights are recognized by the Act of 1 and 2 Geo. IV., cap. 66, so that at once, by making such a grant, all the powers of jurisdiction vested in the Company would come into operation over the whole territory. As the Company have officers at Vancouver, who are competent to hold, temporarily, the situations of governors and of councillors, no new legislative measure would be, in the first instance, at all necessary, and any subsequent one that might be found requisite would be arranged with the settlers, or other persons who might be disposed to associate together, for the purpose of bringing land into cultivation, working mines of coal, or whatever else the country might produce.

Thus the Hudson's Bay Company having an allotment of land for the purposes of their free trade, might, as they now do in the Columbia, cut timber, catch and preserve salmon, and export the same to the Sandwich Islands. The Puget Sound Association, in the same way, might cultivate land either in connexion with their establishment at Nisqually and the Cowlitz, or (in the event of the Americans taking these lands under the treaty) transfer all their farming operations to Vancouver Island, or take up the working of coal, and if there were any probability of profit, convey it to Panama and other places, as proposed in the prospectus I enclosed in my last.

The Hudson's Bay Company would not desire to derive any pecuniary benefit from grants for these purposes as the proceeds of all such grants would be applicable only to the objects of colonization. The security of their property from American aggression would be the advantage they would expect to derive from the contemplated plan.

I fear,

I fear, my Lord, you will think me very prolix, as my proposition lies in a nutshell.

Great Britain has a territory bounded on the south, principally by the 49th parallel of latitude (the boundary between it and the United States); on the west by the Pacific Ocean, from 49° to 54°, and thence to 60° by a strip of Russian territory (20 leagues in breadth and following the sinuosities of the coast); from 60 to the Polar Sea in about 70° likewise by the Russian territory; on the north by the Polar Sea; and on the east by the Atlantic Ocean. A large portion of this has been granted to the Hudson's Bay Company, in which they can establish colonies, governments, courts of justice, &c. &c., and over the whole of the remainder (with the exception of Canada) by a grant from the Crown under an Act of Parliament, they enjoy the exclusive right of trade. I propose that the privileges which they possess under the grant of Rupert's Land should be extended over the whole territory in question. Your Lordship may feel a difficulty (however expedient it may be) under the present feeling in favour of free trade, to make so extensive a grant to any Company, though the Hudson's Bay Company did virtually possess, in addition to what they have asked for, the exclusive right of trade over all the disputed territory west of the Rocky Mountains, from the latitude of 42°, the Mexican boundary, to 49°; but I think this feeling may be met by an agreement on their part to relinquish to the country, at the expiration of their present license of exclusive trade, all advantages derived from the colonization of those parts not within the original grant to the Hudson's Bay Company, without receiving any compensation, on that account, beyond the cost value of any improvements which, at the time of such relinquishment, might have been effected, as was proposed with respect to the limited grant referred to in Mr. Hawes's letter of the 14th December. Indeed, as far as I am concerned, (and I think the Company would concur if any great national benefit would be expected from it), I would be willing to relinquish the whole of the territory held under the Charter on similar terms to those which it is proposed the East India Company shall receive on the expiration of their Charter, namely, securing to the proprietors an interest on their capital of ten per cent.

I have, &c.
(signed) *J. H. Pelly*

No. 11.

COPY of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

No. 11.
B. Hawes, Esq., to Sir J. H. Pelly, Bart.
13 March 1848.

Sir, Downing-street, 13 March 1848.

I AM directed by Earl Grey to acknowledge the receipt of your letter of the 4th instant on the subject of the application of the Hudson's Bay Company for a grant of all the territories belonging to the Crown which are situated to the north and west of Rupert's Land in British North America.

Earl Grey directs me to state that he has fully considered the contents of your letter above mentioned, and is of opinion that it will be advisable in the first instance that the grant to the Hudson's Bay Company should be confined to Vancouver's Island. His Lordship will be happy to entertain any such proposal as you may think proper to submit to him for this purpose, proceeding on the principle which you have suggested, that the Company shall not derive any pecuniary profit from the undertaking, but shall apply all funds arising from the sale of lands or minerals towards the colonization and improvement of the island.

I have, &c.
(signed) *B. Hawes*

No. 12.

COPY of a LETTER from Sir *J. H. Pelly*, Bart., to Earl *Grey*.

No. 12.
Sir J. H. Pelly, Bart., to Earl Grey.
20 July 1848.

Vide Letter to Sir J. Pelley, July 31, 1848.

My Lord, Hudson's Bay House, 20 July 1848.

WITH reference to your Lordship's communication made to me through Mr. Merivale, under the date of the 13th March last, and to the various inter-views

views with which you have favoured me since that time, I have the honour to transmit to you herewith, for your Lordship's approval, the draft of the grant of Vancouver's Island to the Hudson's Bay Company in the form in which it has been settled under your directions by Mr. Merivale and the Company's solicitors.

I have, &c.

(signed) *J. H. Pelly.*

Enclosure in No 12.

Encl. in No. 12.

VICTORIA, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to all to whom these presents shall come, greeting: Whereas by the Royal Charter or letters patent of his late Majesty King Charles the Second, bearing date the 2d day of May, in the 22d year of his reign, his said late Majesty did (amongst other things) ordain and declare that the Governor and Company of Adventurers of England trading into Hudson's Bay, thereby incorporated, and their successors by that name, should at all times thereafter be personable and capable in law to have, purchase, receive, possess, and enjoy and retain lands, rents, privileges, liberties, jurisdictions, franchises and hereditaments, of what nature or kind soever they were, to them or their successors: And also to give, grant, demise, alien, assign and dispose lands, tenements and hereditaments, and to do and execute all and singular other things by the same name that to them should or might appertain to do: And his said late Majesty did thereby for himself, his heirs and successors, give, grant and confirm unto the said Governor and Company and their successors the sole trade and commerce of all those seas, straits, bays, rivers, lakes, creeks and sounds, in whatsoever latitude they should be, that lay within the entrance of the straits commonly called Hudson's Straits, together with all the lands and territories upon the countries, coasts and confines of the seas, bays, lakes, rivers, creeks and sounds aforesaid, that were not already actually possessed by or granted to any of his said late Majesty's subjects, or possessed by the subjects of any other Christian prince or state, with the fishing of all sorts of fish, whales, sturgeons and all other royal fishes in the seas, bays, inlets and rivers within the premises, and the fish therein taken; together with the royalty of the sea upon the coasts within the limits aforesaid, and all mines royal, as well then discovered as not then discovered, of gold, silver, gems and precious stones to be found or discovered within the territories, limits, and places aforesaid, and that the said land should be from thenceforth reckoned and reputed as one of his said late Majesty's plantations or colonies in America: And further, his said late Majesty did thereby for himself, his heirs and successors, make, create, and constitute the said Governor and Company for the time being and their successors the true and absolute lords and proprietors of the same territory, limits and places aforesaid, and of all other the premises (saving always the faith, allegiance, and sovereign dominion due to his said late Majesty, his heirs and successors for the same): to hold, possess and enjoy the said territory, limits, and places, and all and singular other the premises thereby granted as aforesaid, with their and every of their rights, members, jurisdictions, prerogatives, royalties, and appurtenances whatsoever, to them the said Governor and Company and their successors for ever; to be holden of his said late Majesty, his heirs and successors, as of his manor of East Greenwich, in the county of Kent, in free and common soccage, and not *in capite* or by knights' service; yielding and paying yearly to his said late Majesty, his heirs and successors, for the same, two elks and two black beavers whensoever and as often as his said late Majesty, his heirs and successors, should happen to enter into the said countries, territories, and regions thereby granted: And whereas by an Act passed in the session of Parliament held in the 43d year of the reign of his late Majesty King George the Third, intituled, "An Act for extending the Jurisdiction of the Courts of Justice in the Provinces of Lower and Upper Canada, to the Trial and Punishment of Persons guilty of Crimes and Offences within certain Parts of North America adjoining to the said Provinces," it was enacted that from and after the passing of that Act all offences committed within any of the Indian territories or parts of America not within the limits of either of the said provinces of Lower or Upper Canada, or of any Civil Government of the United States of America, should be and be deemed to be offences of the same nature, and should be tried in the same manner and subject to the same punishment as if the same had been committed within the Provinces of Upper or Lower Canada, and provisions were contained in the said Act regulating the committal and trial of the offenders:

And whereas, by an Act passed in the session of Parliament holden in the first and second years of the reign of his late Majesty King George the Fourth, intituled, "An Act for regulating the Fur Trade, and establishing a Criminal and Civil Jurisdiction within certain Parts of North America," after reciting, among other things, that doubts had been entertained whether the provisions of said Act of the 43d George III. extended to the territories granted by Charter to the said Governor and Company, and that it was expedient that such doubts should be removed, and that the said Act should be further extended; it was enacted (amongst other things), that from and after the passing of said last-mentioned Act, it should be lawful for his then Majesty, his heirs and successors, to make grants or give his Royal license under the hand and seal of one of his Majesty's Principal Secretaries of State to any body

body corporate or company, or person or persons of or for the exclusive privilege of trading with the Indians in all such parts of North America as should be specified in any of such grants or licenses respectively, not being part of the lands or territories theretofore granted to the said Governor and Company of Adventurers of England trading into Hudson's Bay, and not being part of any of his Majesty's provinces in North America, or of any lands or territories belonging to the United States of America, subject to the provisions and restrictions in the said Act mentioned: And it was thereby further enacted, that the said Act of the 43d George III., and all the clauses and provisoes therein contained, should be deemed and construed, and was and were thereby respectively declared to extend to and over, and to be in full force in and through all the territories theretofore granted to the said Company of Adventurers trading to Hudson's Bay: And whereas by our grant or royal license bearing date the 13th day of May 1838, under the hand and seal of one of our then Principal Secretaries of State, we granted and gave our license to the said Governor and Company and their successors for the exclusive privilege of trading with the Indians in all such parts of North America to the northward and westward of the lands and territories belonging to the United States of America as should not form part of any of our provinces in North America, or of any lands or territories belonging to the United States of America, or to any European Government, State or Power, subject nevertheless as therein mentioned: And we did thereby give and grant and secure to the said Governor and Company, and their successors, the sole and exclusive privilege for the full period of twenty-one years from the date thereof, of trading with the Indians in all such parts of North America as aforesaid, except as therein mentioned, at the rent therein reserved, and upon the terms and subject to the qualification and power of revocation therein contained: And whereas by a treaty between ourselves and the United States of America, for the settlement of the Oregon boundary, signed at Washington on the 15th day of June 1846, it was agreed upon and concluded (amongst other things) as follows: That from the point of the 49th parallel of north latitude, where the boundary laid down in existing treaties and conventions between Great Britain and the said United States, terminated the line of boundary between our territories and those of the said United States, should be continued westward along the said parallel of north latitude to the middle of the channel which separates the Continent from Vancouver's Island, and thence southerly through the middle of the said channel and of De Fuca's Straits to the Pacific Ocean: Provided, however, that the navigation of the whole of the said channel and straits south of the 49th parallel of north latitude should remain free and open to both parties: And whereas certain of our lands and territories in North America lie to the westward and also to the northward of the territory granted to the said Governor and Company by the hereinbefore recited grant or letters patent of his said late Majesty King Charles the Second, and which is, pursuant to the direction in that behalf contained in such grant or letters patent, called or known as Rupert's Land, and to the eastward of the territories the boundary line of which is defined by the hereinbefore recited treaty with the United States of North America: And whereas under the said last-mentioned grant or letters patent, and also under our hereinbefore recited grant or license of the 13th day of May 1838, the said Governor and Company have traded as well within as beyond the limits of the lands and territories granted to them by the said grant or letters patent of his said late Majesty King Charles the Second, and have, in connexion with and for the protection of their trade beyond the said limits, been in the habit of erecting forts and other isolated establishments without the said limits, and some of such forts and establishments of the said Governor and Company are now existing in that part of our said territories in North America, including Vancouver's Island, the boundary line between which and the territories of the said United States is determined by the hereinbefore recited treaty between ourselves and the said United States: And whereas it would conduce greatly to the maintenance of peace, justice and good order, and the advancement of colonization and the promotion and encouragement of trade and commerce in, and also to the protection and welfare of the native Indians residing within that portion of our territories in North America called Vancouver's Island, if such island were colonized by settlers from the British dominions, and if the property in the land of such island were vested for the purpose of such colonization in the said Governor and Company of Adventurers of England trading into Hudson's Bay; but nevertheless, upon condition that the said Governor and Company should form on the said island a settlement or settlements, as hereinafter mentioned, for the purpose of colonizing the said island, and also should defray the entire expense of any civil and military establishments which may be required for the protection and government of such settlement or settlements (except, nevertheless, during the time of hostilities between Great Britain and any foreign European or American power): NOW KNOW YE, that WE, being moved by the reasons before mentioned, do by these presents, for us, our heirs and successors, give, grant, and confirm unto the said Governor and Company of Adventurers of England trading into Hudson's Bay, and their successors, all that the said island called Vancouver's Island, with the fishing of all sorts of fish in the seas, bays, inlets and rivers within or surrounding the same, together with all royalties of the seas upon the coasts within the limits aforesaid, and all mines royal thereto belonging: AND FURTHER WE DO, by these presents, for us, our heirs and successors, make, create and constitute, the said Governor and Company for the time being, and their successors, the true and absolute lords and proprietors of the same territories, limits and places, and of all other the premises (saving always the faith, allegiance, and sovereign dominion due to us, our heirs, and successors for the same), to have, hold, possess and enjoy the said territory, limits, and places, and all and singular other the premises hereby granted as aforesaid, with their and every of their rights, members, royalties, and appurtenances whatsoever to them, the said Governor and Company, and their successors for ever, to be

holden of us, our heirs and successors, in free and common soccage, at the yearly rent of 7 *s.*, payable to us and our successors for ever, on the 1st day of January in every year: Provided always, and we declare, That this present grant is made to the intent that the said Governor and Company shall establish upon the said island a settlement or settlements of resident colonists, emigrants from our United Kingdom of Great Britain and Ireland, or from other our dominions, and shall dispose of the land there as may be necessary for the purpose of promoting settlements (and for the actual purpose of promoting settlements), and for the actual purposes of colonization, and shall, once in every two years at the least, certify under the seal of the said Governor and Company, to one of our Principal Secretaries of State, what colonists shall have been from time to time settled in the said island, and what land shall have been disposed of as aforesaid: And we further declare, that this present grant is made upon this condition, that if the said Governor and Company shall not, within the term of five years from the date of these presents, have established upon the said island a settlement of resident colonists, emigrants from the United Kingdom of Great Britain and Ireland, or from other our dominions, and it shall at any time, after the expiration of such term of five years, be certified to us, our heirs or successors, by any person who shall be appointed by us, our heirs or successors, to inquire into the condition of such island, that such settlement has not been established according to the intent of this our grant, it shall be lawful for us, our heirs and successors, to revoke this present grant, and to enter upon and resume the said island and premises hereby granted, without prejudice, nevertheless, to such dispositions as may have been made in the mean time by the said Governor and Company of any land in the said island for the actual purposes of colonization and settlement, and as shall have been certified as aforesaid to one of our Principal Secretaries of State: And we hereby declare, that this present grant is and shall be deemed and taken to be made upon this further condition, that we, our heirs and successors, shall have, and we accordingly reserve unto us and them, full power, at the expiration of the said Governor and Company's grant or license of or for the exclusive privilege of trading with the Indians, to repurchase and take of and from the said Governor and Company the said Vancouver's Island and premises hereby granted, in consideration of payment being made by us, our heirs or successors, to the said Governor and Company of the sum or sums of money theretofore laid out and expended by them in and upon the said island and premises, and of the value of their establishments, property and effects then being thereon. In witness whereof, we have caused these our letters to be made patent. Witness Ourselves at Westminster the day of in the year of our reign.

—No. 13.—

COPY of a LETTER from *B. Hawes*, Esq., to Sir *J. H. Pelly*, Bart.

No. 13.
B. Hawes, Esq., to Sir J. H. Pelly, Bart.
31 July 1848.

Sir, Downing-street, 31 July 1848.

I AM directed by Earl Grey to inform you, that he sees no reason to object to the draft of the grant of Vancouver's Island to the Hudson's Bay Company, which was forwarded to this department with your letter of the 20th of this month, and he will be prepared to take the proper steps for the formal execution of the grant in these terms so soon as the other arrangements required for the settlement of the island shall be finally agreed upon.

With this view it will, in the first place, be necessary to provide for the government of the colony, which the Company undertakes to found on the island, and to make provision also for the establishment of legislative authority among the colonists. It appears to his Lordship, as has been already explained to you in the interviews which have taken place on this subject, that, with reference to the probable circumstances of the future settlement, the best course which suggests itself is, to confer on the emigrants the same powers of local self-government which it was usual to grant to the settlers in new colonies in the earlier days of our colonial history. With this view, it is proposed that a Commission, as nearly as possible in the same form as those granted to the first Governors of Jamaica, should be issued to a Governor, who must be appointed by the Crown, though in the selection of the person to be recommended to Her Majesty for the office, Lord Grey would think it right to be guided in a great measure by the wishes of the Company. By such a Commission the Governor would be directed to summon an Assembly, elected by the general votes of the inhabitants, to exercise, in conjunction with himself and a Council nominated in the usual manner, the powers of legislation. Provision is already made for establishing a judicial authority under the "Act for establishing a Criminal and Civil Jurisdiction in certain parts of North America," 1 & 2 Geo. 4, c. 66.

Lord

Lord Grey will direct the draft of a Commission, and instructions for the Governor of the proposed settlement to be prepared without delay, and will cause them to be communicated to you, and he will also be glad to receive from you an expression of your opinion as to the person who may most properly be recommended to Her Majesty for the office of Governor.

I have, &c.

(signed) *B. Hawes.*